

UNITED STATES OF AMERICA
Before The
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

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OFFICE OF THE SECRETARY

Experimental Presorted
Priority Mail Rate Categories, 2001

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Docket No. MC2001-1

OFFICE OF THE CONSUMER ADVOCATE
INTERROGATORIES TO UNITED STATES POSTAL SERVICE
WITNESS: THOMAS M. SCHERER (OCA/USPS-T1-7-13)
(April 5, 2001)

Pursuant to sections 26 and 27 of the Rules of Practice of the Postal Rate Commission, the Office of the Consumer Advocate ("OCA") hereby submits interrogatories and requests for production of documents. Instructions included with OCA interrogatories OCA/USPS-T1-1-6 to witness Thomas M. Scherer dated March 23, 2001, are hereby incorporated by reference.

Respectfully submitted,



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OCA/USPS-T1-7. Please refer to your response to OCA/USPS-T1-1.

- a. Please confirm that the “density-based sequential sorting requirements” described in Section M120.2.7 of Domestic Mail Manual (DMM) 53 were specified by the Postal Service. If you do not confirm, please explain.
- b. Please confirm that the DMCS language establishing the Priority Mail presort discount eliminated in Docket No. R97-1 authorized the Postal Service to determine the machinability, addressing, and other preparation requirements. If you do not confirm, please explain.
- c. Please identify any differences between the DMCS language establishing the Priority Mail presort discount eliminated in Docket No. R97-1 and the DMCS language proposed for the Priority Mail presort discount in this proceeding, and explain the significance of those differences.

OCA/USPS-T1-8. Please refer to your responses to OCA/USPS-T1-1 and OCA/USPS-T1-4(a).

- a. In the last paragraph of your response to OCA/USPS-T1-1, you state, “This [density requirement at each presort level] was onerous compared to the current Priority Mail presort proposal, under which any of three presort levels — 5-digit, 3-digit or ADC — can be chosen as an option regardless of densities at the other two presort levels.” Please confirm that neither the density requirement at each presort level nor the ability to choose any of three presort levels regardless of densities at the other two levels is specified in the DMCS language proposed for
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the Priority Mail presort discount in this proceeding. If you do not confirm, please explain.

- b. Please confirm that the quoted statement in part a. above describes, at least in part, make up requirements for the proposed Priority Mail presort discount. If you do not confirm, please explain.
- c. Please reconcile the quoted statement in part a. above with your response in OCA/USPS-T1-4(a), where it states "Containerization and other 'make-up' requirements have not been finalized for the proposed Priority Mail presort discount."

OCA/USPS-T1-9. Please refer to your response to OCA/USPS-T1-2.

- a. Since January 7, 2001, what is the proportion of flat- and parcel-shaped pieces weighing one pound or less in Priority Mail?
- b. For FY 2000, what was the proportion of flat- and parcel-shaped pieces weighing one pound or less in Priority Mail?
- c. For FY 2000, what was the proportion of flat- and parcel-shaped pieces weighing two pounds or less in Priority Mail?

OCA/USPS-T1-10. Please refer to you response to OCA/USPS-T1-2.

- a. How many presort mailers took advantage of the Priority Mail presort discount eliminated in Docket No. R97-1?
- b. How many of the presort mailers "had average realized revenue per piece" equal to the two-pound rate?

OCA/USPS-T1-11. Please refer to your response to OCA/USPS-T1-2, where it states that “the majority of presort mailers . . . were exclusively mailing pieces 2 pounds and under.”

- a. Please confirm that the total volume of Priority Mail utilizing the Priority Mail presort discount eliminated in Docket No. R97-1 consisted of pieces weighing 2 pounds or less. If you do not confirm, please explain and provide the average weight of Priority Mail utilizing the Priority Mail presort discount eliminated in Docket No. R97-1, the volume weighing 2 pounds or less, and the volume weighing more than 2 pounds.
- b. Please confirm that ADP, the only mailer with whom you have discussed the proposed Priority Mail presort discount, has a particular interest in a discount for the \$3.50 one-pound Priority Mail rate. If you do not confirm, please explain.
- c. Please confirm that ADP initiated discussions with the Postal Service seeking a Priority Mail presort discount. If you do not confirm, please explain.

OCA/USPS-T1-12. Please refer to your testimony at page 2, lines 19-20.

- a. Please confirm that the value of the proposed per-piece presort discounts to the mailer declines as the weight of the Priority Mail piece increases. If you do not confirm, please explain.
- b. Please confirm that the value of the proposed per-piece presort discounts provides a greater incentive for mailers to present lighter weight Priority Mail


pieces, as compared to heavier weight pieces. If you do not confirm, please explain.

OCA/USPS-T1-13. Please refer to Attachment A in your testimony.

- a. Please confirm that the per-piece revenue and attributable cost figures represent the average per-piece revenue and average per-piece attributable cost for Priority Mail. If you do not confirm, please explain.
- b. Please confirm that the majority of Priority Mail pieces utilizing the proposed Priority Mail presort discount will be "light weight" pieces; that is, pieces weighing 2 pounds or less, and likely to weigh one pound or less. If you do not confirm, please explain.
- c. Please confirm that more representative data for pieces utilizing the proposed Priority Mail presort discount would be the average per-piece revenue and average per-piece attributable cost for one-pound pieces. If you do not confirm, please explain.
- d. Please provide a version of Attachment A using revenues, costs, and new volumes based upon an assumption of one-pound pieces.

CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the rules of practice.


Stephanie Wallace

Washington, D.C. 20268-0001
April 5, 2001